

METAL COATINGS (INDIA) LIMITED

NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

The Nomination, Remuneration and Board Diversity policy for members of the Board and KMPs is drafted in a manner which aims to improve the performance of the Board of Directors and KMPs of Metal Coatings (India) Limited (the 'Company') and subsequently enhance the value of the Company, to motivate and retain them, and to be able to attract other highly qualified executives.

In determining the Nomination, Remuneration and Board Diversity policy, the Nomination & Remuneration Committee ensures that a competitive remuneration package for Board-level executives and KMPs commensurate to their talent is maintained and benchmarked with other similar companies operating in domestic market.

The terms of reference, objectives and key elements of the policy produced below is in line with the provisions of Section 178(4) of the Companies Act, 2013, which requires that the policy be formulated in a manner such that it ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully and also that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Part – D of Schedule II of Listing Regulations also mandates the Nomination and Remuneration Committee to devise a policy on diversity of the Board of Directors of the listed entity.

OBJECTIVES OF NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

The objective of Nomination & Remuneration policy of METAL COATINGS (INDIA) LIMITED is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of stakeholders of METAL COATINGS (INDIA) LIMITED.

BASIS OF FORMULATION

The Company while deciding the remuneration package of the senior management members takes into consideration the employment scenario, remuneration package of the industry, remuneration package of the managerial talent of other industries, among others.

To ensure diversity on the Board of Directors of the Company.

KEY ELEMENTS OF THE POLICY

The following elements are taken into consideration:

- a) Metal Coatings (India) Limited (“Company”) strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gains, respect for people and concern for the environment in line with METAL COATINGS (INDIA) LIMITED values and business principles as reflected in the Company’s Code of Business Conduct. The Nomination, Remuneration and Board Diversity policy reflects a balance between the interests of the Company’s main stakeholders as well as a balance between its short-term and long-term strategy. As a result, the structure of the remuneration package for the Managing Board and KMPs is designed to balance short-term operational performance with the medium and long-term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders.
- b) To ensure that highly skilled and qualified senior executives can be attracted and retained. Metal Coatings (India) Limited aims for a total remuneration level that is comparable to levels provided by other companies that are similar to the Company in terms of size, line of production and complexity.
- c) The remuneration policies for the members of the Managing Board and for other senior executives of Metal Coatings (India) Limited are aligned.
- d) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- e) The remuneration to directors and KMPs and other senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

SELECTION AND NOMINATION OF DIRECTORS:

To nominate an individual for appointment as Director on the Board of Directors of the Company, the Committee shall ensure the following: -

- a) The individual is a person of integrity and possesses relevant expertise and experience.
- b) The individual is available to commit sufficient time to discharge the duties of a director.
- c) The individual should meet the compliance requirements prescribed under the Act, the Listing Regulations and other Rules & Regulations or standards set out by the Company.
- d) For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board.
- e) In case of appointment of an independent director, the individual meets the prescribed criteria for appointment of independent directors.

SELECTION AND NOMINATION OF KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT:

The Company has a well-defined and structured recruitment process for Key Managerial Personnel and Senior Management. The appointment of KMPs shall be approved by the Board of Directors on recommendation from the Committee.

BOARD DIVERSITY:

The Committee shall ensure that a transparent board nomination process is in place which is based on merit. Board appointments will be based on merit and candidates will be considered on the basis of their skills, knowledge, experience, background and other distinguishing qualities, having due regard to the effectiveness of the Board. The Committee shall encourage diversity of thought, skills, experience, background, knowledge, ethnicity, perspective, age and gender. The Committee shall ensure that the Board has adequate independence in person as well as in its decisions. This Committee shall assess issues of diversity of the Board from time to time.

TERMS OF REFERENCE

The terms of reference of the Nomination & Remuneration Committee, inter alia, consists of reviewing the overall compensation policy, service agreements, performance incentive and other employment conditions of Board Members and KMPs. The recommendations of the Nomination & Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, wherever necessary.

The remuneration of the Executive Directors and KMPs are recommended by the Nomination & Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-a-vis the industry, responsibilities shouldered, performance/track record, review on remuneration packages of heads of other organizations and is decided by the Board of Directors, subject to the approval of the shareholders at the General Meeting of the Company wherever required. The Company pays remuneration by way of salary, perquisites, allowances etc.

Besides the above Criteria, the Remuneration/ compensation/ commission etc. to be paid to Director / Managing Director/KMPs shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

POLICY REVIEW:

This policy shall be reviewed from time to time so that the policy remains compliant with the applicable legal requirements.

Place: New Delhi

for Metal Coatings (India) Limited

Date: 14.07.2023

Compliance Officer